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6 **BEFORE THE**
7 **CALIFORNIA BOARD OF ACCOUNTANCY**
8 **DEPARTMENT OF CONSUMER AFFAIRS**
9 **STATE OF CALIFORNIA**

10 In the Matter of the Accusation Against:

Case No. AC-2010-26

11 **WILLIAM RUSSELL MURRAY;**
12 **3620 Fair Oaks Blvd., Suite 200**
13 **Sacramento, CA 95864**

DEFAULT DECISION AND ORDER

14 **Certified Public Accountant Certificate No.**
15 **CPA 31758**

[Gov. Code, §11520]

16 **And**

17 **MURRAY & CO.;**
18 **3620 Fair Oaks Blvd., Suite 200**
19 **Sacramento, CA 95864**
20 **Corporation License No. COR 3097**

21 **And**

22 **MURRAY & YOUNG**
23 **3620 Fair Oaks Blvd., Suite 200**
24 **Sacramento, CA 95864**
25 **Corporation License No. COR 4969**

26 Respondents.

27 **FINDINGS OF FACT**

28 1. On or about May 26, 2010, Complainant Patti Bowers, in her official capacity as the
Executive Officer of the California Board of Accountancy, Department of Consumer Affairs,

1 filed Accusation No. AC-2010-26 against William Russell Murray, Murray & Co., and Murray
2 & Young (Respondents) before the California Board of Accountancy.

3 2. On or about March 6, 1981, the California Board of Accountancy (Board) issued
4 Certified Public Accountant Certificate No. CPA 31758 to Respondent William Russell Murray.
5 The Certified Public Accountant Certificate expired on January 12, 2010, and has not been
6 renewed.

7 3. On or about August 20, 1986, the California Board of Accountancy issued
8 Corporation License No. COR 3097 to Respondent Murray & Co.. The Corporation License was
9 in full force and effect at all times relevant to the charges brought herein and will expire on
10 August 31, 2010, unless renewed.

11 4. On or about May 29, 2001, the California Board of Accountancy issued Corporation
12 License No. COR 4969 to Respondent Murray & Young. The Corporation License was in full
13 force and effect at all times relevant to the charges brought herein and will expire on May 31,
14 2011, unless renewed.

15 5. On or about June 8, 2010, Constance Ward, an employee of the Department of
16 Justice, served by Certified and First Class Mail a copy of the Accusation No. AC-2010-26,
17 Statement to Respondent, Notice of Defense, Request for Discovery, and Government Code
18 sections 11507.5, 11507.6, and 11507.7 to Respondent William Russell Murray's address of
19 record with the Board, which was and is:

20 3620 Fair Oaks Blvd., Suite 200
21 Sacramento, CA 95864.

22 And at his current custodial location which was:

23 William Russell Murray, Inmate #14873

24 c/o Butte County Jail
25 33 County Center Drive,
26 Oroville, California 95965.

27 6. On or about June 3, 2010, Constance Ward, an employee of the Department of
28 Justice, served by Certified and First Class Mail a copy of the Accusation No. AC-2010-26,
Statement to Respondent, Notice of Defense, Request for Discovery, and Government Code

1 sections 11507.5, 11507.6, and 11507.7 to Respondent William Russell Murray's criminal
2 attorney Donald Heller, Esq. at:

3 655 University Avenue, Suite 215
4 Sacramento, CA 95825.

5 7. On or about June 24, 2010, Constance Ward, an employee of the Department of
6 Justice, served by Certified and First Class Mail a copy of the Accusation No. AC-2010-26,
7 Statement to Respondent, Notice of Defense, Request for Discovery, and Government Code
8 sections 11507.5, 11507.6, and 11507.7 to Respondents Murray & Co., and Murray & Young at
9 their address of record which was and is:

10 3620 Fair Oaks Boulevard, Suite 200
11 Sacramento, CA 95864.

12 Service of the Accusation was effective as a matter of law under the provisions of
13 Government Code section 11505, subdivision (c).

14 A copy of the Accusation is attached as exhibit A, and is incorporated herein by reference.

15 8. On and between June 26 and July 1, 2010 all of the documents served at all
16 respondents' addresses of record were returned by the U.S. Postal Service marked "Moved left no
17 address", "Box closed", "Unable to forward" and "Return to sender".

18 9. Business and Professions Code section 118 states, in pertinent part:

19 (b) The suspension, expiration, or forfeiture by operation of law of a license
20 issued by a board in the department, or its suspension, forfeiture, or cancellation by
21 order of the board or by order of a court of law, or its surrender without the written
22 consent of the board, shall not, during any period in which it may be renewed,
23 restored, reissued, or reinstated, deprive the board of its authority to institute or
24 continue a disciplinary proceeding against the licensee upon any ground provided by
25 law or to enter an order suspending or revoking the license or otherwise taking
26 disciplinary action against the license on any such ground.

27 10. Government Code section 11506 states, in pertinent part:

28 (c) The respondent shall be entitled to a hearing on the merits if the respondent
files a notice of defense, and the notice shall be deemed a specific denial of all parts
of the accusation not expressly admitted. Failure to file a notice of defense shall
constitute a waiver of respondent's right to a hearing, but the agency in its discretion
may nevertheless grant a hearing.

1 11. Respondents and each of them failed to file a Notice of Defense within 15 days after
2 service upon them of the Accusation, and therefore waived their right to a hearing on the merits
3 of Accusation No. AC-2010-26.

4 12. California Government Code section 11520 states, in pertinent part:

5 (a) If the respondent either fails to file a notice of defense or to appear at the
6 hearing, the agency may take action based upon the respondent's express admissions
7 or upon other evidence and affidavits may be used as evidence without any notice to
8 respondent.

9 13. Pursuant to its authority under Government Code section 11520, the Board finds
10 Respondents are in default. The Board will take action without further hearing and, based on the
11 evidence on file herein, finds that the allegations in Accusation No. AC-2010-26 are true.

12 14. The total cost for investigation and enforcement in connection with the Accusation
13 are \$3,583.56 as of July 6, 2010.

14 DETERMINATION OF ISSUES

15 1. Based on the foregoing findings of fact, Respondent William Russell Murray; Murray
16 & Co. (William Russell Murray sole owner); Murray & Young (William Russell Murray sole
17 owner) have subjected their Certified Public Accountant Certificate No. CPA 31758, Corporation
18 License No. COR 3097, and COR 4969, respectively, to discipline.

19 2. A copy of the Accusation is attached.

20 3. The agency has jurisdiction to adjudicate this case by default.

21 4. The California Board of Accountancy is authorized to revoke Respondent's Certified
22 Public Accountant Certificate and his wholly owned corporation licenses based upon the
23 following violations alleged in the Accusation:

24 a. Violation of Business and Professions Code sections 5100(a) and 490 in that
25 on March 9, 2010, in the case of United States of America v. William R. Murray, In the United
26 States District Court for the Eastern District of California case no. 2:10-CR-054 EJG, respondent
27 William Russell Murray pled guilty to one count of violation 18 U.S.C. § 1341—Mail Fraud, and
28

one count of violation of 26 U.S.C. § 7212---Interference with Tax Administration. The circumstances are as follows:

b. Between the dates of 2001 and 2009 respondent William Russell Murray schemed to make false representations to some of his clients to obtain their money and convert it to his own use. He induced clients to give him \$13,357,133 in at least two different ways:

i. Respondent used "the tax scheme" to induce fifty-two clients to write their tax payment checks to his trust account instead of to the IRS or the FTB. Respondent subsequently used the money for his own personal expenses.

ii. Respondent used the "investment scheme" to induce thirteen clients to write checks to his account, thereafter converting the money to his own use.

ORDER

IT IS SO ORDERED that Certified Public Accountant Certificate No. CPA 31758, heretofore issued to Respondent William Russell Murray; Corporation License No. COR 3097 issued to Murray & Co.; and Corporation License No. COR 4969 issued to Murray & Young; are revoked.

Pursuant to Government Code section 11520, subdivision (c), Respondent(s) may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent(s). The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective on Aug. 4, 2010.

It is so ORDERED Aug. 4, 2010


FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

default decision_LIC.rtf
DOJ docket number:SA2010101041

Attachment:

Exhibit A: Accusation No.AC-2010-26

Exhibit A
Accusation No. AC-2010-26

1 EDMUND G. BROWN JR.
Attorney General of California
2 JANICE K. LACHMAN
Supervising Deputy Attorney General
3 KENT D. HARRIS
Deputy Attorney General
4 State Bar No. 144804
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 324-7859
Facsimile: (916) 327-8643
7 *Attorneys for Complainant*

8 **BEFORE THE**
9 **BOARD OF ACCOUNTANCY**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

11 In the Matter of the Accusation Against:

Case No. AC-2010-26

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A C C U S A T I O N

14 **Certified Public Accountant Certificate No.**
15 **CPA 31758**

16 **AND**

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corporation
18 **3620 Fair Oaks Blvd., Suite 200**
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19 **Corporation License No. COR 3097**

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22 **3620 Fair Oaks Blvd., Suite 200**
23 **Sacramento, CA 95864**

24 **Corporation License No. COR 4969**

25 Respondents.

27 Complainant alleges:
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2 PARTIES

3 1. Patti Bowers (Complainant) brings this Accusation solely in her official capacity as
4 the Executive Officer of the California Board of Accountancy (Board).

5 2. On or about March 6, 1981, the Board issued Certified Public Accountant Certificate
6 Number CPA 31758 to William Russell Murray (Respondent). The Certified Public Accountant
7 Certificate expired on March 31, 2010, and has not been renewed. Certificate Number CPA
8 31758 was suspended pursuant to a stipulated Interim Suspension Order (ISO) on January 13,
9 2010 and will remain suspended during the pendency of that stipulation.

10 3. On or about August 20, 1986, the Board issued Corporation License Number COR
11 3097 to Murray and Donovan, an accountancy corporation. On April 25, 1996, Murray and
12 Donovan changed its name to Murray & Company, an accountancy corporation. The stock in said
13 corporation is wholly owned by Respondent William Russell Murray. The Corporation License
14 was in full force and effect at all times relevant to the charges brought herein and will expire on
15 August 31, 2010, unless renewed.

16 4. On or about May 29, 2001, the Board issued Corporation License Number COR 4969
17 to Murray & Young, an accountancy corporation. The stock in said corporation is wholly owned
18 by Respondent William Russell Murray. The Corporation License was in full force and effect at
19 all times relevant to the charges brought herein and will expire on May 31, 2011, unless renewed.

20 JURISDICTION

21 5. This Accusation is brought before the Board, under the authority of the following
22 laws. All section references are to the Business and Professions Code unless otherwise indicated.

23 6. Section 5100 states in pertinent part:

24 "After notice and hearing the board may revoke, suspend, or refuse to renew any permit or
25 certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing
26 with Section 5080), or may censure the holder of that permit or certificate for unprofessional
27 conduct that includes, but is not limited to, one or any combination of the following causes:
28

"(a) Conviction of any crime substantially related to the qualifications, functions and duties of a certified public accountant or a public accountant."

7. Section 490 of the Code provides, in pertinent part, that a board may suspend or revoke a license on the ground that the licensee has been convicted of a crime substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued.

CAUSE FOR DISCIPLINE

(Conviction of Crime)

8. Respondent William Russell Murray is subject to disciplinary action under sections 5100(a) and 490 in that on March 9, 2010, in the case of *United States of America v. William R. Murray*, In the United States District Court for the Eastern District of California case no. 2:10-CR-054 EJG, respondent pled guilty to one count of violation 18 U.S.C. § 1341—Mail Fraud, and one count of violation of 26 U.S.C. § 7212---Interference with Tax Administration. The circumstances are as follows:

9. Between the dates of 2001 and 2009 respondent Murray schemed to make false representations to some of his clients to obtain their money and convert it to his own use. He induced clients to give him \$13,357,133 in at least two different ways:

a. Respondent used “the tax scheme” to induce fifty-two clients to write their tax payment checks to his trust account instead of to the IRS or the FTB. Respondent subsequently used the money for his own personal expenses.

b. Respondent used the “investment scheme” to induce thirteen clients to write checks to his account, thereafter converting the money to his own use.

PRA YER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Board issue a decision:

1. Revoking or suspending or otherwise imposing discipline upon Certified Public Accountant Certificate Number CPA 31758, issued to William Russell Murray;

2. Revoking or suspending or otherwise imposing discipline upon Corporation License
Number COR 3097, issued to Murray & Co., an accountancy corporation;

3. Revoking or suspending or otherwise imposing discipline upon Corporation License
Number COR 4969, issued to Murray & Young, an accountancy corporation;

4. Ordering William Russell Murray to pay the Board the reasonable costs of the
investigation and enforcement of this case, pursuant to Business and Professions Code section
5107;

5. Taking such other and further action as deemed necessary and proper.

DATED:

May 26, 2010 Patti Bowers

Patti Bowers
Executive Officer
California Board of Accountancy
State of California
Complainant

SA2010101041
accusation.rtf